

## PROJECT ASSISTANCE COMPLETION REPORT

1. Background Data

A.	Project Number and Title:	No. 515-0257.00G International Executive Service Corps (IESC)
B.	Implementing Agency:	International Executive Service Corps (IESC)
C.	PACD:	December 31, 1994
D.	Amount Obligated	\$1,300,000
E.	Total Expenditures	\$1,160,000
F.	Interest Earned:	----
G.	Host Country Contribution:	
	Total Planned (LOP)	\$1,000,000
	Final Total	\$1,000,000

PROJECT ASSISTANCE COMPLETION REPORT  
INTERNATIONAL EXECUTIVE SERVICE CORPS  
Grant 515-0257.00G

IESC is a private voluntary organization dedicated to providing short-term technical assistance to the private and public sectors of less developed countries on a voluntary basis by U.S. retired executives who compose the IESC membership.

The purpose of the IESC project was to assist local producers to expand or locate new industries and to develop new export markets for industrial and agroindustrial products by matching experienced private sector volunteers with Costa Rican companies. The project provided partial funding to expand IESC's technical and marketing assistance to local companies, mainly small and medium sized firms with the potential to export or firms which were recently exporting. The project also financed an assistance program with the Costa Rican Chamber of Exporters (CADEXCO) to promote export efforts of their members. In this new program, a number of companies affiliated to CADEXCO were to receive IESC experts who would address similar problems that those companies could have.

The AID grant started on January 1, 1990 with an initial PACD of December 31, 1992. The project was extended until December 31, 1994 in order to allow IESC the completion of project activities. With grant funds, IESC agreed to assist local producers and investors by completing a maximum of 7,268 project/days of regular volunteer assignments and 18 ABLE projects (in an ABLE project, an IESC volunteer works in the United States to investigate a problem that a Costa Rican firm wishes to solve and prepares a written report on the subject. In most cases the IESC volunteer does not visit Costa Rica). AID financed 66% of IESC's project costs while clients paid the remaining 34%.

During the five year execution of the AID grant, IESC assisted a total of 69 companies and institutions completing 80% of the activities initially envisioned. Local companies received technical and marketing expertise from IESC volunteers during 5,782 days, originating 152 projects with an average duration of 38 days each. Approximately 75% of the volunteer assistance was provided to companies and institutions working for the non-traditional export market. Most of the IESC projects supported the development of non-traditional industrial exports. IESC also completed 20 ABLE projects, two more than initially contemplated.

CINDE became the main client of the program, requiring approximately 40% of IESC's assistance. CINDE's projects had a multiplier effect. Each volunteer brought to this institution collaborated with 3 to 6 companies recruited by CINDE's Impulso Industrial Program aimed at developing the export capacity of local industries.

As CINDE's programs became smaller due to the elimination of AID's funding, CINDE reduced and finally cut the requests for IESC's assistance. Demand for IESC projects further dropped due to restrictive conditions of the Costa Rican economy during the last three years of the AID grant. Consequently, by the terminal date of the grant agreement, IESC could only implement 80% of the activities originally contemplated.

Site visits to IESC projects consistently confirmed the conclusions reached by evaluations of the AID grant. Local companies were being effectively helped to overcome production, quality, management and market constraints to increased exports of non-traditional industrial products. The last evaluation, completed in 1993, demonstrated that as a result of IESC's interventions, 93% of the companies assisted had improved their technology, reduced production costs, increased their efficiency, improved their quality standards or strengthened their management capabilities. More than 20% of the companies surveyed had increased their exports.

As mentioned before, AID financed 66% of IESC's project costs while clients payed the remaining 34%. With the completion of the AID grant, the cost to the clients increased almost threefold, sharply reducing the demand for IESC's assistance during 1995. According to the IESC country director, only 5 projects were completed during 1995, a drastic drop from the 30 projects that IESC implemented each year with AID's funding. The client profile also changed. Only the bigger companies could afford the higher new cost of the IESC projects, especially those firms producing for the local market.